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Health and Government Operations Committee

Chair
Government Operations and
Health Facilities Subcommittee

House Chair Joint Committee on Administrative, Executive, and Legislative Review



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Testimony of Delegate Samuel I. Rosenberg

Before the House Environment and Transportation Committee

In Support Of House Bill 777

Real Property – Partition of Property

Mister Chairman and Members of the Committee:

House Bill 777 seeks to ensure that property owners are provided with adequate safeguards against complex legal tactics designed to acquire their property. This bill would address a problem faced primarily by families of modest to moderate means, who are generally not likely to seek and utilize expensive legal assistance.

"Heirs Property" refers to real estate which is owned by tenants in common, meaning each of the owners has an individual share of the property. These owners of fractional shares are usually related to one another.

"Joint Tenancy," in contrast, is common with closely related families and requires a clearly stated intention to have the surviving members of the family inherit the share of those who die first. Tenancy in common is the legal default consequence for all multiple owners who do not clearly indicate a different result. It is a common result of dying without a will and having the court divide the ownership among the surviving heirs by the laws of intestate succession.

The most troubling aspect of this unstable ownership pattern, with numerous relatives owning only a small fractional share, is that each owner holds in his or her hands a poison pill. Each owner of a fractional share of such Heirs Property may sell that share to a speculator or investor. The buyer can then take advantage of the existing partition laws to force a sale of the property upon all of the other owners, often on terms that are very unfair.

Our current partition laws allow speculators to buy the family home or family farm at a mere fraction of its true value. They do so by taking advantage of the fact that the existing partition laws favor a forced auction sale.

HB 777 is designed to address these issues fairly by helping balance the scales of justice in the partitioning of property. This uniform bill would create a series of rules that are designed to make sure that a fractional share owner of Heirs Property can still trigger a mechanism by which he or she can dispose of a fractional share but may do so only under certain conditions, which provide for a more equitable partition of the property.

I urge a favorable report from this committee for House Bill 777.

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